Royalty Payments due from Enron Corporation

3952. SHRI KRISHNA KUMAR BIRLA : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state :

(a) whether it is a fact that Enron Corporation has spent millions of dollars in the country's oilfields without valid authority and has depressed royalty payments to Government;

(b) if so, what are the details thereof; and

(c) the steps taken by Government in the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH GANGWAR) : (a) to (c) Panna, Mukta & Tapti fields have been awarded to a consortium comprising Oil & Natural Gas Corporation Ltd. (ONGC), Reliance Industries Limited (RIL) and Enron Oil & Gas India Limited (EOGIL), with EOGIL as the operator. The expenditure on these fields is made by the above consortium in accordance with the Production Sharing Contracts ((PSCs) entered into by them with the Government of India. Royalty and all other dues are paid by the consortium in accordance with the provisions of these PSCs and the applicable laws and rules.

As per provisions of the PSCs, there is a Management Committee to approve the budget and oversee the expenditure, development and monitoring of these fields as well as monitor the implementation of the PSCs. Officials from the Directorate General of Hydrocarbons (DGH) represent the Government of India on these Management Committees. Reconciliation of receipts and expenditure, including payment of royalty etc., is an ongoing process.

Well-head Refinery of ONGC in Andhra Pradesh

3953. SHRI SOLIPETA RAMACHANDRA REDDY : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state :

(a) whether Oil and Natural Gas Corporation is expected to commission its first well head refinery in Andhra Pradesh;

(b) if so, the location of the refinery;

(c) what is the expected annual production of the refinery;

(d) the annual transportation expenditure expected to be saved; and

(e) whether the price of oil shall be reduced, if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH GANGWAR) : (a) Yes, Sir.

(b) The refinery has been set up at Tatipaka in East Godawari district of Andhra Pradesh.

(c) The refinery is designed to produce approximately 97 tonnes per day (TPD) of Naptha, 46 TPD of High Speed Diesel, 75 (TPD) of Superior Kerosene Oil and 32 TPD of reduced crude oil.

(d) About Rs. 3 crore per annum.

(e) No, Sir.

Hidden cost in Sakhalin Project

3954. SHRI MOOL CHAND MEENA :

SHRI SURESH PACHOURI :

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether ONGC has taken up an oil exploration project at Sakhalin in Russia;

(b) whether Government have worked out the evacuation cost of oil and gas from Russia;

(c) if so, the details thereof;

(d) whether Government have taken note of the hidden cost involved in evacuation of oil and gas from Sakhalin;

(e) if so, the magnitude of such cost; and

(f) whether the projects is still viable considering this hidden cost ?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH GANGWAR) : (a) On 10-02-2001, ONGC-Videsh Ltd. (OVL), a wholly owned subsidiary of Oil & Natural Gas Corporation Ltd. (ONGC) signed an agreement with Rosneft, the national oil company of Russian Federation, for acquiring 20% participating interest of the Russian company in the Sakhalin-I Offshore Project.